

REMARKS

Applicant wishes to thank Examiners Kyle and Kasimi for the opportunity to discuss this application during the in-person interview held on January 3, 2003. Applicant has amended the pending claims in view of the suggestions made by the Examiners to further prosecution of this application and place the claims in condition for allowance.

Claims 1-7, 10-12, 18, 24, and 25 remain pending in this application. Claims 1 and 2 have been amended to recite additional aspects of the present invention. For these reasons, the rejection of all pending claims under 35 USC 103(a) is now moot. The following remarks, however, are provided to assist the Examiner in evaluating the revised claims in view of the prior art and explain why the amendments presented herein place the claims in condition for allowance.

Claim 1 has been amended, in part, to recite the steps of 1) establishing an electronic connection between the network processor and the payroll system; 2) determining an amount to be deducted from one or more said employee's future paychecks, based on the amount of said charge; and 3) applying said amount to be deducted to said payroll deduction card account for one or more successive pay periods. Support for each of these amendments is found in the original specification. At page 13, lines 17-21, the specification teaches that the number of successive paychecks from which a purchase may be deducted can be based on the amount of the charge. Steps 480 and 490 of Fig. 4 shows that the network processor is in communication with the payroll processor to deduct the charge from a future paycheck. The specification explicitly teaches that such communication is performed electronically at page 7, lines 14-18.

Neither the Davis or Kirtley-Cole references, of record, specifically address a system for making automatic and dynamic payroll deductions. Kirtley-Cole teaches that it was known to allow employees to make purchases from their employer and to have the purchase price deducted from their paycheck, after the employee manually submits an authorization form to the employer. Davis shows that it was known to deduct the amount of a purchase from a person's

assets contained on a "stored value" card. Neither reference, however, teaches or suggests the claimed feature of determining the amount to be deducted from a person's future paychecks based on the amount of the charge. In particular, this feature overcomes the Examiner's concern that the invention, as previously claimed, merely represented the automation of a known process. This claimed feature, alone, goes well beyond mere automation and provides the user of the claimed system with the previously unavailable function of having payroll deductions automatically divided over one or more pay periods. This feature, as well as the additional amendments to claim 1, place this claim in condition for allowance.

Further, claim 2 has been amended to specifically claim the situation where a charge is deducted from more than one multiple, successive paychecks. This feature is also absent from the prior art of record or known to Applicant.

In view of the amendments presented herein, claim 1 and claims depending therefrom are in condition for allowance and a notice thereof is earnestly solicited.

Attached hereto is a marked-up version of the changes made to the claims by the current amendment. The attached page is captioned "Version with markings to show changes made."

In the event that the transmittal letter is separated from this document and the Patent Office determines that an extension and/or other relief is required, Applicant petitions for any required relief, including extensions of time, and authorizes the Commissioner to charge the cost of such petitions and/or other fees due in connection with the filing of this document to Deposit Account No. 03-1952 referencing docket no. 482772000500.

Respectfully submitted,

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VERSION WITH MARKINGS SHOWING CHANGES MADE

1. (Twice Amended) A method comprising:
 - establishing an electronic connection between a network processor and a payroll system; *
 - establishing a payroll deduction card account to enable an employee to charge a purchase to said payroll deduction card account to pay for a purchase made from a participating merchant;
 - receiving a request from said participating merchant to apply a charge to said payroll deduction card account;
 - cross referencing the payroll deduction card account to the payroll of said employee, wherein said charge applied to said payroll deduction card account is automatically and dynamically deducted from said payroll;
 - determining an amount to be deducted from one or more of said employee's future paychecks, based on the amount of said charge; C
 - transmitting an instruction to said payroll system to cover said charge on said employee's payroll deduction card account; *
 - applying said [charge] amount to be deducted to said payroll deduction card account for one or more successive pay periods; and
 - deducting from said payroll automatically and dynamically the amount of said charge, wherein said participating merchant is not said employee's employer.
2. (Amended) The method of claim 1 further comprising:
 - establishing a number of pay periods during which payroll deductions can occur; [and]
 - establishing a credit limit for said employee; and
 - deducting said amount to be deducted from said employee's paycheck for more than one successive pay period.